REMARKS BY ADM. MIKE MULLEN CHAIRMAN OF THE JOINT CHIEFS OF STAFF

LOS ANGELES AREA RECRUITERS

UNIVERSITY OF SOUTHERN CALIFORNIA

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ADMIRAL MICHAEL MULLEN: Good morning. Is this all recruiters?

MR. : Most - 90 percent.

ADM. MULLEN: Going to do ROTC a little later, is that right? Okay. All right. Well, good morning. We have about an hour or so. Well, it is great – it is great to be here and spend a few minutes with you. I will give you a few of my thoughts and then I would really like to open it up to you and find out what is on your mind, particularly – this is an area for your avocation here to recruit young people to come in the military is as vital as any part of our profession. And it is one of the reasons I come here. And I hope you will be open with me with your questions, so I can get a feel for how things are going and whether they are changing.

I am here – I am actually originally from this area, so I am particularly interested in Southern California. I grew up here. And at least where I have been in the last several years, the recruiting side of the business has gone very, very well. And I know – in fact, I discussed – I am in front of audiences all the time – military audiences. And I will ask how many have been recruiters and not many raise their hands. And I look at them and I say this is as important a duty assignment as we have anywhere. And in that, we need good people to come and do this because we just cannot be the military we are. It all starts here. And you provide the young people that are out there – and you know this – that are out there making such a difference.

So again, I hope that you will be able to get the questions and answers and that you will be open with what your concerns are. And when we get to that point, the rules of engagement are I will give you the best answer I can. If it isn't an answer that is complete, I will take your email address and I will get back to you. And I actually read my own email and answer my own email. And it is an opportunity for you to voice concerns to leadership. I am around the senior leadership all the time – civilian and military – and happy and comfortable to inject questions into the system to kind of see how things are going.

So first of all, I just want to say thanks for what you are doing. Thanks for serving. How long are these tours typically?

ADM. MULLEN: Three years. And thanks for making a big difference in what I said is a really vital area – not just you, but also thanks to your families. And I would like to hear about when we get a chance – recruiting in Southern California and what does it mean. And what are the challenges? So thanks to – we have a superb military. I have been doing this a long time. I won't tell you how long, except I went to my high school on Friday and I was hoping that they wouldn't put up the year that I graduated. But it has been a long time.

And we have the best military we have ever had. And it is an extremely challenging time, as well, and I think you know that. From the standpoint of the operational tempo, the number of deployment, the timing between deployment and the expectations that we are going to have in op-tempo that stays up for a significant period of time. And I can talk about that in detail.

So we have never had a better military. We have never as many challenges. We are at a time not just with the challenges that we have right now that they are going to continue. We see – we live in a very dangerous world, very unpredictable world. I will just use the example as recently as a few weeks ago when Russia decided to invade Georgia, and the subsequent declaration by – or acknowledgement – recognition on the part of Russian independence of a couple significant chunks of territory that are inside Georgia. And these events seem to be occurring at a more rapid pace over time.

So while there are terrific signs in Iraq of improved conditions, so that we can start to bring our troops down – our troop level down in Iraq. There are growing concerns in Afghanistan. Most of us believe that we exist in a time of what we call persistent conflict. And in that time, we are going to be out and about. All the services are now expeditionary. And we will continue to rotate and be engaged in places around the world, which are pretty hard to – it is pretty hard to predict exactly where that is going to occur.

So great military, demanding times, tough world to be engaged in and, again, what you do to support that overall mission is absolutely vital. And so thanks for doing that. And your families – we spent a lot of time with families. I came out last week through Fort Bliss, spent time at the Sergeants Major Academy and with family members there, and also with some time in a very unique rehabilitation center for those who are undergoing severe cases of PTSD, all of which – and we also spent some time – a little bit, actually I was here.

When I got here Friday, I went out to – or Saturday, I went to West Valley – West Los Angeles, not West Valley – West Los Angeles Veterans Hospital and basically spent time with OEF and OIF veterans who are really struggling, who are homeless. And we need to be paying attention to the full spectrum from when we recruit you and what you do to how we take care of you in and out of the service no matter what happens. This is an example of the full range of requirements that we have.

So we have got great young people who serve, great families. And the more – the longer I am in this and, particularly, during these wars, the more obvious it becomes to me that we have got to focus on the families. So when I go to this VA hospital and I am talking to 20 homeless veterans, all of whom – not all, pretty much all of whom have – don't have any family support, have gone through families and kids because of their real struggles and the ability to recognize that early because family – the family part of this is so vital. And when I am with the PTS – severe PTS group out at Fort Bliss, the importance of bringing the families in as a part of that whole healing notion is a part, as well. And then, whatever hospital we have been in across this country – it is the same case.

And so we just – we all have to be thinking what is it – you know, how do we involve our families in this or the family in this because it has a powerful, powerful impact. So from the standpoint of where you are and the family support that you get from your family, we don't take it for granted. My wife is here with me and she probably travels with me 75 percent of the time. And she has a way of rooting out information from families and with spouses that sometimes the active side just won't speak very quickly to. And we recognize there are challenges that we have got to get at. So again, what is your vital mission and thanks for doing it. We just can't move forward without what you are doing and how you are doing it.

Secondly, the – we – and I would be interested in how things are changing. I usually just try to frame a discussion in three areas. One is gratitude for your services. Second is change. And I fundamentally believe that change is a way of life. So I would be interested in how things are changing in the recruiting world. And are we moving fast enough? Are we adapting as institutions – as individual institutions fast enough to the marketplace, if you will? And can we figure that out and can we help you do what you need to do? Back to the importance of the mission, but so many things are changing.

I believe that -I would be shocked if you told me, I mean, that we are not recruiting differently than we were just a few years ago. I am - at least, those of us that have been around awhile - usually when the economy starts to go south, and if you have been reading the newspaper or looking at the news, it is starting to go south. And I would be interested if you are seeing any indication of it because usually, to some degree, our recruiting and our retention is tied to the health of the economy.

And historically, when you hit about 4.5 percent or 4.3 percent unemployment, usually it starts to impact on those two things – recruiting and retention. And I haven't seen any numbers or any data to support that at this point, but I certainly have an expectation that we should be moving in that direction. And if we were not moving in that direction, I would worry about it. I would wonder why.

So we live in a time of constant change. The environment you are recruiting in the toughest we have ever known – at least, in my time. And again, it goes back a long way. Because those who are making the decisions about who is coming in and who isn't – the parents, the teachers, the coaches, the pastors, those who are in support of our young people – the propensity – they are not happy with these two wars. The propensity to serve is down from what

it used to be. So I understand that the environment is tougher than it has ever been, which gets back to why we have to do so much to support you.

And in that regard, it has changed, it is changing. But broader than that – just in the services, in general, at how we are fighting these wars – literally, the techniques, the tactics, the procedures we are using, the equipment we are using and how we are – all that is changing as we speak to recruiting and retention, the career paths.

I am watching the Army and the Marine Corps go through a fairly significant change on how they retain people. Totally different focus from what it was a few years ago. And by that, I mean the Marines are much more focused on retention than they used to be. And I am watching the Army go through the bonus world, if you will, that focuses resources where we think we need them. And I will be in front of 1,000 soldiers having a discussion like this, and some E-5 or E-6 will raise their hand and say, hey, brand-new recruit, give them how much?

MR. : Forty-thousand, sir.

ADM. MULLEN: Forty-thousand bucks. I just finished my third tour, OIF – what's up? And I'm not getting – I'm just getting my pay every two weeks. What is up with that? And the answer is that there is great focus right now on recruiting – and as a priority, that is where we are going to put our resources. And that doesn't mean I don't love staff sergeant whoever – whoever he or she might be when they ask me that question. It is just a matter of priorities and incentivizing. And I think we are going to see more of that.

And this has just begun for the ground services in ways that the Air Force and the Navy have been doing this for a long time. So that is changing, as well. And do we have a focus? You are particularly – I would love to hear from, in particular, the Army recruiters here today on the whole issue of waiver – because I look at it and I am told there is a very obscene – I have been through the process of what it takes to get a waiver and your view of how effective that is. And again, when I talk about how things change or are constantly changing, that is just another example.

I was delighted in preparation to see the number of high school graduates that the Army has brought in so far this year. I think we went down to 79 percent last year, which is within policy standards. But we would like it to be up in the 90s. And I think it was 79 in '07, and I believe so far in '08, it is 83 – about 83 percent. So were in a time of change, almost across the board. And in that, as we are fighting two wars, figuring out career paths, one of the things that I think we have got to really focus on is to make sure that we have individuals at the center of the universe.

And that is meaning – this is in terms of career paths, assignments, compensation, all those kinds of things. And that is different than the institutions at the center and we just sort of tell you what to do because we are not going to be able to compete in the marketplace long term if we continue to do that because there are companies, organizations very focused on two incomes, very focused on childcare, very focused on the kinds of things that young families are seeing today. And as they want as see – actually, this is just a matter of want – it is something

that they absolutely feel is a part of their life. And if we don't do that as a military, then that can be a decisive factor, whether a really good soldier, sailor, airman, Marine stays or goes.

And we cannot afford to lose good talent – never could, we can't now. And so we really need to focus on that. So an awful lot of change across all of those kinds of things. And it will continue. Things will continue to change. And I think that is actually pretty healthy.

And then lastly, I would talk about leadership. You are, in particularly, as recruiters – and you are not out there by yourself, but you are out there by yourself – by and large. And you set a great example. And you are around, focused on a group of young people that they are going to grow up pretty quickly as we all have or are. And they are the future of our country. And the example that you set, the standards that you show, the opportunities that lay out to them, so that they might have a better future and you are investing your time. And that leadership is absolutely vital.

And it doesn't even – clearly, we are anxious for you to recruit people for the military. But you probably don't know the impact you are having even for those young people that don't sign up because of the – for whatever reason it may be, but the long-term impact that you might have on them because they have heard you or seen you and grown to have great respect for you very, very quickly.

So please keep that in mind in what you do. And in these times when things are hard and particularly this business, there is no success that gets generated more quickly and can be sustained more readily than that which occurs through great leadership. And we have got them. There are a lot of things required of us in the military from our technical skill to our education, to a host of requirements. None is more important than leadership. It can answer the mail when nothing else does.

And so think about that. Think of yourself – and I know you do – even though that you are in this uniform basically 24/7. People know who you are and what you do. And making sure that you are meeting those standards and sending that message and that example, which is just vital to us as a military because of who you are and what you represent and as a country.

So again, nothing more important than you as a leader – and I don't care what your pay grade is. There aren't – we don't have – who is a junior recruiter here? What pay grade? Are there any fours here? Okay, so E-5, E-4? How did you get here?

ADM. MULLEN: Oh, okay. But you are not recruiting -

MR. : (Off mike.)

ADM. MULLEN: Oh, okay. All right. Are you a busy guy?

MR. : Yes, sir.

ADM. MULLEN: Okay, file a waiver.

So it doesn't make – and believe me, I talk about this in front of every audience whether it is E-1 or E-9. I don't care as leaders whether you are an E-1 or an E-9 or somebody at my seniority, or whether you are charged with leadership in your duties, or whether you are a member of the team, my expectation is all of us lead and that we – more than anything else in that regard – we are taking care of each other. We are treating each other with dignity and respect. We are making way by way of mentoring.

You are all very successful people. If someone made a difference in your life, I would only ask that you figure out a way to make a difference in somebody else's life. We are a growing organization. We have got to – we have got to – I put it in terms of we have got to find our release. And it may not be exactly your release, notionally, however, it will be in order for the organization to continue to be able to sustain itself.

So again, leading from every position – junior to senior – leading your peers, there has never been a more important time. And in fact, it makes us an incredibly effective military – the best I have ever seen.

One of the areas – and I won't spend a lot of time on it unless you want to – but one of the areas I talk about with our military right now is the need to retain, in particular, those who are making their first decision on whether they stay or go – enlist as an officer. This is the most combat-hard military we have ever had, period. When you look at the length of time, our six-year war that the kind of fight we have been in, the adaptation to that fight that has – in particular over the last 24 to 36 months. We have put in our military that the wherewithal to sustain itself for the next 20 to 30 years, if we get this right in terms of keeping the right people in.

And the opposite is true, as well. If we don't do that, if we don't get that, we don't keep that, we are going to make it – it is going to be much more difficult to sustain the military that we must, given these challenging times. So again, you start the process. An awful lot people in the field, in the fleet that are out there to take the handoff from you, which needs to be a smooth handoff. And then, make – create an opportunity for young people to flourish. And an awful lot of them are.

Anyway, with that in my mind – those are kind of the three thoughts. Gratitude for what you are doing – it is a big deal. You have raised your hand to serve at the – I would argue – the toughest time our country has ever had. And it is a huge deal to me that you have done that. And there is not a day that goes by in my office that I don't think about that. And there are major decisions that come all the time that I am not thinking about that and your families.

Secondly, that we live – things are going to continue to change. And if you have ideas on how we should make things better, please speak up. But change across the full spectrum of requirements and areas.

And then, lastly, more than anything else, I depend on you as great leaders. Yourself and that you raise great leaders and that we, in fact, take care our most precious resource, which is you and our people.

What is on your mind?

Q: Hi, sir.

ADM. MULLEN: This always happens when we have the pregnant pause. I am going to stand there, so...

Q: My only concern is –

ADM. MULLEN: Tell me a little bit about who you are –

Q: Staff Sergeant Franco, I was in the California Army National Guard, have been in it for eight years, been in aviation for five, and I am recruiting for the next three.

ADM. MULLEN: Okay. Where was your guard unit? Here?

Q: Right, yes, sir. I was here in Los Alamitos.

ADM. MULLEN: Okay.

Q: My question is I do a lot of school intervention with – (off mike). And I see the problems that I have with superintendents and principals, as to how military is involved in that – (off mike). So my question to you, as a person at a high level, is if it can be a mandated issue through the government since public schools are part of the government?

ADM. MULLEN: To permit you to – to permit you to – you said intervene – you said ASVAB intervention –

Q: Right, into the schools.

ADM. MULLEN: To be present at the schools? To be physically at the –

Q: We were there already. And we try to do the soft approach, going to the principals. The government itself has that ability to be part of schools and since the public schools – I'm not talking about privates. All of us have to get involved to get into the – (off mike).

ADM. MULLEN: Right.

Q: Some schools give you an issue, even if they are public. And they have their one time that they can do an event at that school. But if the government mandates it – because either way, we get the information from the students. So it just seems that – (off mike) – in the area has an issue with military being involved in that – (off mike).

ADM. MULLEN: Who has?

Q: The public.

ADM. MULLEN: I have seen – first of all, my understanding of this is essentially a state by state – I mean, these public schools are state run, obviously, so it is not a federal issue. I have not – and I will be happy to actually take your name and email address and get you here is where we are on that. This has been an issue, which has spiked in intensity over time. I haven't seen it. And actually, feedback on how hard that is would be helpful, as well. And there have been – there are states where it is not an issue – it isn't a concern and others where it is. And the way to address that clearly would be for us, as a military, to engage the state leadership.

However, I am not sure that mandatory is the right answer with respect to that. I think that – by and large, by and large, as a country, we are a country that is underpinned by the will of the people and the will – you know, people get to vote. I mean, they get to vote actually vote when we have elections. And they clear – their voice is important in everything that we are doing.

So I think – you talked about the soft approach. I mean it would – generally speaking, from my perspective – be – I would probably argue for that kind of soft approach, but persistent, so that individuals who don't know us at all have an opportunity to be exposed know who we are, et cetera. I mean, I am looking for ways to make your life easier. Mandating something might, on the one hand, seem to make it easier, but, in fact, it could create such a public furor that it may not overall. But I would be happy to pull on that a little bit more to see if there – to kind of – part of the reason I really enjoy the questions is I get to get smarter than I am in certain areas. And this is – this has not been – I have not seen this as a major issue for a couple of years, really.

I don't mean it's not hard or going on, but it was – a couple years ago, it was a major issue in lots of places. And it has gotten quieter. That doesn't mean it has gone away. So I can use an update on that and then I can feedback to you whatever information I have. But I would expect mandating is not going to be the answer.

What are the rules for questions? What was your guidance?

Q: (Off mike.)

ADM. MULLEN: There is no such thing as a stupid question.

Q: Sir, Lieutenant Martinez, Los Angeles. Question for you, sir. As a submarine officer are we going back potentially to maybe – going back to the diesel submarine battalion? Maybe in the future? Is that something that has come up at all in the last couple years in light of our recent wars and moving away from the Cold War era, moving into the littoral type of warfare?

ADM. MULLEN: This will seem like a circuitous answer, but I promise you it won't be. I mean, I am a Navy guy, obviously. I wear this uniform. I was sitting at a National Security Council meeting a few months ago. And the question of where some United States Navy ships were and what they were doing came up. I was the only military guy at the table, all the cabinet,

and I could see this thing. And I am wearing service dress blues and I could see this coming at me. I knew that the question was going to be well, what do you think? Where are these ships? What are they doing?

And the answer is I didn't have any idea what they were doing. I have almost been out of the Navy the last year because my focus has been more than anything else, on the ground force. I mean, I obviously have a background in the Navy, know a lot about the Navy. But as far as currency of issues are concerned, I have to go back – I really have to go back oftentimes and ask to make sure.

I can say I have heard nothing that is serious in terms of us designing diesel submarines. That doesn't mean that idea has been out there. I mean, it ebbs and flows, as well. But as far as I know, and I am not day-to-day current, although I do each week read Air Force, Marine Corps, Army and Navy Times to stay up with the current intelligence.

What's going on out there and I haven't seen – usually that subject is out there slightly. I mean, I have seen it – so I just haven't seen it recently.

What do you hear?

Do you hear anything about it?

Q: No, sir, just with the – amongst commanders, sometimes the question is raised. It would be great to have sometimes one or two diesel submarines, sir.

ADM. MULLEN: Yeah.

Q: We are sometimes at a disadvantage for having to do without.

ADM. MULLEN: Yeah, well, needless to say, there is the competition – there is that lively competition – competitiveness of ideas about whether we ought to go back to diesel boats – most of us. And at least where I come from now, you know, I just think the advantages of nuclear-powered submarines are so extraordinary that there is where we ought to be putting our money.

And as far as I know, that is where we are putting our money.

Q: Admiral, Lieutenant Shu. I am a submariner also. And speaking of those advantages, they also give us a lot of like – take away the work-life balance. And can you speak a little to retention about any programs that might be coming down the line for some of the components of the military that don't really have work-life balance and what we are going to do about that?

ADM. MULLEN: Well, okay. And it is a great point. As I have indicated, I have spent a lot of time with the Army and the Marine Corps. And probably at the top of my list of concerns is that when you have – I was recently down at Fort Stewart with a brigade of the 3d ID

having just gotten back. And when I went around the room and said how many had been on – this was about 500 E-6 and above – how many deployments have you been on? One, two, three, four? So at about the four level, the number of hands that were still up were 35, 40 percent of the room. And that is since 2002.

And it is reflected – now, 3d ID tends not to have been, you know, as the leading edge. They were some of the initial deployers, so they have deployed the most. But in another year, everybody else will have caught up to them – a year or 18 months. So that issue of stress on the force and over for 15, now since 1 August, deployments are 12 months, not 15. And that was a good decision. But we still haven't been able to build any dwell time between deployments.

And it is notionally one to one. And in fact, there are parts of our military that is under one to one. And the Marine Corps has been doing seven and seven since this war started, multiple deployments. And when I visit Marine bases, the message I get, and believe me, my wife gets it is 30 days after we are back, the head starts moving back into the game because six months from now, I have to deploy again.

So that issue of op-tempo and pace and balance when we have the kind of demands that we have to fight these two wars is a huge concern to me. The leadership is all focused on it. Now, this same brigade that I talked to at Fort Stewart has a skip in their step. Basically, they were at the heart of the surge. So they deployed – I don't know day for day, but as one of the surge brigades that were there throughout. And I will tell you having been in and out of Iraq multiple times now, it is enormously better than it was, and in great part because of the success of this brigade and the surge brigades and everybody else – it just wasn't the five, it was the 20.

And all that goes along with it that have really created an opportunity for a future in Iraq that a year ago, we weren't sure was there. So I give them a great deal of credit. So there have been – a couple of characteristics – they have been successful. They are enormously resilient. But at this pace, I don't see us being able to do this for another four, five, six years. We are going to have to figure out a way to do that.

Now, the Marines have just deployed – are deploying this month the first brigade of the entering increase that is made available because the Marine Corps is increasing entering from 175,000 to 202. That will start to build – along with the fact that instead of eight battalions deployed, we will have seven. And eight was the surge number for the Marines. So we will start to build a little dwell time. The Marines will have built out their end strength by the end of '09.

The Army is not – we are not there yet. The whole plan was over five years, so we are three years out until the end of 2011 before the Army is built out and I can actually increase the total of about 62,000, where I can start to reach for a brigade, train them and deploy them. So I think I am three to four years away before I can do that same thing with the Army based on my understanding of it right now.

So you have got that variable, which is our making the ground forces bigger. My optempo is staying right now about the same. And it is going to be 24 to 36 months. Inside of all that, you know, that whole work-life balance thing is pretty tough. And that is not to say, quite

frankly, that the Navy and the Air Force haven't been on a pretty regular drumbeat. It is not what it is on the ground forces, but it also is not what it was prior to 2002, when these wars started.

And that sort of – for the Air Force and for the Navy, what I call one in three – or one in two – you know, out for six and back for a year, and out for six – that kind of rotation has been going on, as well, and will continue to go on. You know, that is probably the steady state rotation for a significant period of time.

So that balance and that focus, in particular, is one thing to talk to members, but also when we talk to families. The commandant of the Marine Corps and the chief staff of the Army will tell you the most brittle part of who they are and what they do right now are the families. And that is a focus on the families is so important – these programs, particularly, the Army's – actually, all services are putting in place to make sure our families are well taken care of. And it is tough to create that balance that you described. And it is going to be tough until we start to create that dwell time and get to – we are basically one to one right now on the ground side. We have got to get to two to one, where I am home twice as long as when I am deployed.

But it is going to be - I think it is going to be - it depends on, obviously, the demand signal, but it is going to be a while before we get there. So we are in a really delicate time right now - will be for the next - certainly the next two to three years.

Yeah?

Q: Good morning, I've got a few questions this morning. Sir, first, I want to thank you for bringing back the dress khakis. It is a great look –

ADM. MULLEN: I haven't done that yet.

For the record, this is a decision for the CNO and we are going to pilot that goes across the summer. And actually, the important input -I mean, my peers like it. We had it as junior officers. That is interesting. What really makes a difference is whether you like it. And if you do, you know, send that word up the chain. So I haven't brought it back yet.

Q: Thank you, sir.

Q: Two questions this morning, sir. First question is from the recruiting side of the house, we have been mandated for FY09 to one of our major focuses is to recruit diversity.

ADM. MULLEN: Recruit what?

Q: Diversity.

ADM. MULLEN: Yes.

Q: Now, to that end, the thing that we found difficult, sir, as a recruiter – as an officer recruiter out here on the deck-plate level, actually talking to young people day to day. What I tend to find out is in the inner city, we have different issues than we have out in the rural setting. In the rural, there may not be diversity applicants. In the inner city, there are an abundance. But what I find in the inner city is the difficulty in finding applicants who actually want to do that job.

Now, when the applicants are actually found and actually want to do the job, and they are a diversity applicant, the hierarchy says, okay, well, we are looking for certain percentages of diversity. But diversity applicant, in the absence of any type of core system or anything that specifically says, well, we are going to take diversity on this type of board, many times, the diversity applicants are turned away. So alternately, the force structure and the demographics of the force end up looking the same. We don't change the percentages, even though we are receiving more diversity applicants.

So what we are told to do is just keep sending us more applications without any guidelines or mandates that is saying, okay, if you send us more applications, we are actually going to take these folks. And as a recruiter on the deck-plate level, I can say, sir, that the hard thing to do is finding diversity applicants that want to do, at least, this job, in particular.

My second question, sir, would be this is that naval recruiting spends a huge overhead every year – I'm sure you know this, sir – in terms of how much dollars we spend on recruiting. I'm sure the other services do, as well. Sir, I just want to know if the admiral is aware of the amount of applicants that we turn away every year – at least from the officer side of the house – that are not selected. And who knows where they go? Sometimes – I track mine that don't actually get selected. But I don't know what happens to the large pool of the other applicants that aren't selected.

And I was just curious if there are any proposals that might change the board system that is what we are currently using right now for selecting officers, sir.

ADM. MULLEN: And you put your focus on officer board system?

Q: No, sir. Officer candidate school, ROTC, Naval Academy.

ADM. MULLEN: Let me – let me – there is a lot there. First of all, let me take your name and e-mail address because there is more on it – I would like to pull the string on it and see where we are.

The idea of keeping track of people that don't get selected and then possibly – the extension of that, to me, is pulling them back in. If you get a surprise opening or maybe next year or sort of staying with that is something that is a good idea. We do – and I did this as CNO and I believe it is one of the things that as chairman, I don't control money anymore. I mean, the service chiefs have the money. And there is this view in Washington that those that have the money have the power. So I really impact on this. And the service chiefs are actually pretty

good about this – my engagement with them and influence, and I actually can ask a question, get an answer from a staff. So I, again, encourage the questions.

The whole issue – and this goes to my time as CNO, and I believe this to be the case for our military. And on the enlisted side, from a diversity standpoint, our balance is pretty good. It has been for a while. As CNO, I focused on two areas – minorities and women because the – Navy in particular, was behind. The challenge, as I think any of you know, is I'm recruiting the leadership class from 20 - 2030, 2035 right now. In my base, this is a hierarchy that we choose over time. And unless you have great selectivity on the input side at the ents and second lieutenant level, then your selectivity is going to be challenging throughout the course of that 10, 20, 30, 40 years, depending on how long someone is in and what the needs are.

So what I found in dealing with the presidents, in particular, of historically black colleges that if you didn't get young minorities by the time they were – and we focused on high school. And I got them. But if you didn't get them by the time they were six years old, they were lost. That is a little – that is about 10 or 12 years earlier than we focus. And that is why the education system and that is why the programs of engagement at that level are so important for all of the services in the long run.

And my overarching belief is that the military must reflect our country demographically – not – I mean, demographically, yes, but ethnically, as well. And it has got to be balanced. And to the degree we are representative, we are a great relative, connected military to our people, to the American people. And to the degree we aren't, we are not. And that is the danger long term. So that is why, as I said, such a high priority for me as I look at the leadership in the Navy – the senior officers, women and minorities, we were short. And so we really have to get at this. And that is an extension of that, I hope, is – again, I haven't been doing this for a while – as the current CNO, Admiral Roughead, who said the same thing.

We cannot afford – just like I said keeping good people in, every single one counts. We can't afford to pass on a qualified applicant. I am going through retention statistics in the Army. I ran into a brigade commander out at Fort Carson. The Army retention numbers are through the roof, by the way. And the way the Army does this is the brigade commander or unit – let's say a brigade commander, will get a quota for a year – X number of percent. And I am with a brigade that just got back from Iraq in February, I think. And they have met their quota for the year halfway through the year.

And they got another 150 or so soldiers who want to stay in the Army. We cannot afford – just because you got assigned to, you know, the second or the fourth, and you didn't get the queue in time to raise your hand, I can't afford to have those 150 not retained. And so, I mean – which is another version of the same kind of thing. We have got to have connections to all of these young people who want to serve. And then, is there a way to make it happen?

And at least, consciously say, can't make – can't do it, whatever the cut is. And in the officer business, it is a pretty competition, one. And it does vary throughout the country. So that – how much we are – how we do that is something that we really need to focus on. And it is another area that has changed in the last couple of years. I mean, what this will allow me to do is

kind of see where the Navy is, in particular, and in this area. And you – your question is phrased in a way where it is continuing to change. I know for a fact that our board selection – our boards – the direction to the boards, the guidance to the boards has changed in the last two to three years in terms of making sure it was balanced. Whether that has continued or not is resonant in his question of, you know, I am coming up – you know, we are recruiting more. We get more to the table, same number, same percentage is getting picked.

You are giving me guidance that that is what we are going to do. Where is the disconnect? And that is the question I would like to try to answer. Okay.

Q: I am at Navy reserve recruiting station in Long Beach. Basically, my question is similar to the prior question. I am a canvassing recruiter – a hometown recruiter. Basically, with a reduction in the retention that you are mentioning right now – where do you see the canvasser recruiter at from here on? Are you guys thinking of keeping us in, but giving us full-time status? Or are you guys sending us back to the fleet? What would be our options, so we can actually –?

ADM. MULLEN: What are the options for you?

Q: As a canvasser recruiter.

ADM. MULLEN: As a?

Q: Canvasser recruiter – recruiters – the ones that are canvasser recruiters.

ADM. MULLEN: You said canvassing recruiters?

Q: Canvassing recruiters.

ADM. MULLEN: What is that?

Q: Hometown recruiters. Basically, people that got out, and we are basically coming back into the force as recruiters.

ADM. MULLEN: Right.

Q: Still with our rating, but doing Navy counseling – counselors.

ADM. MULLEN: So you are doing a recruiting job? And is there – so you came back in to do this?

Q: Correct. For five years and then, after that –

ADM. MULLEN: And then you want to go back to sea?

Q: Well, that is the whole thing. Are we going to be given that choice? Or are we going to –

ADM. MULLEN: Do you want to do that?

Q: Yes, I do.

ADM. MULLEN: Okay.

Q: I want to see my options, sir.

ADM. MULLEN: You want to see your options?

Q: I want to see my options.

ADM. MULLEN: So you don't want me to generate –

Q: No, sir. I basically want to know what our options are going to be – basically what my options are going to be. Are we going to be eligible to actually putting back the old Navy counselor because what I have been hearing is that our jobs are going to be, you know, diminished here shortly. And that is what I have heard. That is what I want to find out.

ADM. MULLEN: Okay. Actually it is the first time – I have been in the Navy long time – it is the first time I have heard that term, but I think I understand what you saying. It is a path for you to come back in and do it through a real need. I will give you a partial answer and then get you a better answer back to you by email.

The partial answer is that we are and have been looking for as many ways as possible as to – as we can to recruit Navy vets, which is what you – and then, take and match your skills with what our needs are. And this is the advice I would give you in general, in terms of planning your career. This is very consistent advice over a long period of time for me is there are career paths out there, and it is back to sort of that second piece I talked about, which is change. And for anybody to create a single path through what I call a soda straw for a career of 20 to 30 years and say, that is it. I am not – I don't have – I don't want any other options. This is my rate. This is my MOS. This is my skill is high risk because I think things are changing so quickly that over the course of that 20 to 30 years, the relevance of an ADH, a bosun mate, and I love bosun mates, so don't misread this. I have my whole life.

But it is going to change. And so my encouragement to you and to those that you counsel is to create options. This is an education. This is another skill. This is enlisted and officer options. Create options for yourselves that you may not have imagined would be – that would be applicable to you, but that as you get exposed to other things, you find areas of great interest that hadn't tickled your fancy before. Take advantage of that because you just don't know what is going to happen down the road. And this is an example.

So, I mean, I don't know if you are here because – actually, I might know because we were hurting a few years ago for ADH and so the pull would be on a Nav vet – ADH, what do

you want to do – recruit. And then, for five years, and then, what about that? And so it would be a guess. I can find out more about that. So it is sort of a combination of things.

And in five years from now – how long have you been doing this?

Q: Three.

ADM. MULLEN: So it is a couple more years. I mean, things – by and large, we can kind of see a couple years out, anyway, in these kinds of things. You know, I would be able to give you some answer about what the future might be. How was the program described to you originally?

Q: Just like that -I would be given the option of actually converting into a Navy counselor or actually going back to the reserves.

ADM. MULLEN: Okay, okay. So all on the reserves side?

Q: Correct.

ADM. MULLEN: Okay, all right. I mean, your question touches an awful lot of aspects of what we are doing. And there are probably things that I haven't spoken to, but I can get back to you.

Q: My question is why is there such a disproportionate amount of time for the different branches for deployment and that reflects our dwell time? Is there going to be something that will be able to even this up for us?

ADM. MULLEN: Actually, the Army has focused heavily on moving from those who can deploy to larger number of what I would call the institutional army and putting them in deployable positions. And that has gone from 40 to 45 percent of the Army that when it started that was deployable to – the last number I saw was 55 and still – 55 percent and still additional pressure to look for those who haven't deployed, but could. So there has been a great deal of institutional pressure to look throughout the Army, in particular, to see where we might be able to increase the number of those who are deploying.

Q: Well, they have told us, sir, is that 100 percent of the Army -60 percent of the Army has deployed. Out of that 60 percent that has deployed, 70 percent of those soldiers are deployed more than once.

ADM. MULLEN: Right. What they have told you?

Q: That is the Army.

ADM. MULLEN: I always find that when it comes out of what they have told you, it's "I" and "they." That magical, never-seen-them "they" while you are.

I think – and those might be very accurate numbers. Back to what I said earlier – there have an enormous amount of work done to see if we can expand that base of those who can deploy and those who don't. And I am – I am personally less concerned about those who deployed one time or two than I am those who have done three, four. And in fact, there was one – there was one soldier in Fort Stewart that had deployed five times. I mean, I don't know how you deploy five times between 2002 and 2008. I mean, you almost can't do the math and make it happen.

Actually, that wasn't Fort Stewart. That was an overseas trip in Iraq recently in July, where one soldier had done that five times. And that is not much work-life balance, by the way, trying to maintain a family. So the urgency of filling the requirements for these wars has put us in a position to look into every possible area in all our services but, in particular, the Army and the Marine Corps to get as many people deployed as we can. And that is on you all. And the numbers have gone up fairly dramatically. When you talk about 10 or 15 percent of an outfit that is 500,000 people, you start to impact on that.

Q: My question really, sir, was the other service – the Army and the Navy – or actually, the Army and the Marine Corps are going seven months on, seven months off, a year on, year off. But the Navy and the Air Force are going, like you said, for six months on and a year back. That makes their family and their quality of life a lot different than soldiers' or Marines'. So it doesn't take an artilleryman to drive a truck or to hold a checkpoint down. I think that an airman or a sailor would be able to do that same task.

ADM. MULLEN: Well, in fact, since this war started, I mean, I don't know – again, I don't know the exact numbers today, but the Navy has got more sailors ashore in the Gulf AOR than they do at sea. And that is where the carrier strikers and the amphibious striker – they have had upwards of seven, 8,000 at a crack ashore. And that is continuing to go up and will continue to go up as we see in the future doing – relieving as much of that pressure as we possibly can.

And quite frankly, when I was the CNO, I mandated that. And that goes back to my concern about pressure on military, it goes back to a time when I was younger than you and we were in Vietnam. And the pressure that – or what happened to the military. So as the head of the Navy, I was putting as many sailors ashore in the fight as I possibly could to relieve that pressure one at a time. And they are still out there. The same thing has happened with the Air Force.

That does not mean we have to put them in seven and seven or we have to put them, you know, 12- or 15-month deployments, although many of them are in one-year deployments and have been for the last five years from other services. And there is a limit in terms of the jobs they can just flat out do in terms of the combat infantry requirements that we have. So they have been an extraordinary number, though. And I am happy – I would be happy to take care of this

and get you specifics on the tens of thousands who have done that from both the services to try to relieve the exact kind of pressure that you are talking about.

Q: Sir, Lieutenant Colonel Huntsinger. I have the privilege of commanding the fine group of folks back here in blue. Historically, the DOD budget has ebbed and flowed depending on what we have going on in the world, of course. Lately, the Air Force and all the services, I believe, have struggled to modernize their capabilities – some of the outdated capabilities we have tried to bring up. With the impending election in November and a possible policy change, some are supplementals that have gotten because of the war, all the bets in play right now as to what the future holds as far as our budget.

In your opinion, sir, over the next three, five, 10 years, where do you see DOD budget going?

ADM. MULLEN: If I were – I can do an analysis back to about 1935 and show you the ebb and the flow of DOD budget since that time. Pretty consistent sine curve, actually, and it has happened on the fives and it is 2008. And the fives is where it has peaked. And so all of us try to – in everything we do, we try to anticipate what is going to happen. So we have actually put a fair amount of effort into the what-if aspect of if our budget goes down. Quite frankly, no matter who comes in as the next president, we – and there is the message that has been out there for a significant period of time that we can't live on supplementals forever.

Although, in fact, going back to as early as '90, '91, or '92, we have had a supplemental budget, I think, every year except one. Now, in recent years, clearly, the magnitude of supplementals is significant. But our budget has gone up dramatically. This is our baseline budget, in addition to the supplementals that come in on top of that since 2000. And one of the things that happens, in my view, when you do that is that first of all, there is never enough money ever, whether you are living with the budget is going up or the budget is going down, there is never enough money.

We always want more. And we have got to have the discipline, the priorities, the analysis and recognize that I think we are going to have to make some pretty tough decisions. Part of the challenge in not being able to modernize is the exponential growth in cost of the systems that we buying. So we are buying enormously complex, sophisticated technology, and I understand that, but at a cost stroke, we just cannot sustain. And when the budget goes down—we have got three big pots of money.

You have got the operational pot – this is my ops budget in order to go out and do what we are doing. I have got the people budget. And when I was the CNO, true for every service, varies by a few percentages – percentage points. But out of \$115 billion, when I was the head of the Navy, between 60 and 70 percent of that budget – those dollars went for people – active, reserve, civilian, and then direct contractor support that we need day to day. So we are paying salaries, creating benefits, those kinds of things with fully 60 to 70 percent of the money that we get.

So as we grow the Army and we grow the Marine Corps, and that growth – by and large, not all – is in supplementals right now. That money has got to come back into the budget. Some of it has. More of it will. So for every 10,000 people I add – I am adding almost 90,000 – for every 10,000, it is between a billion and \$2 billion depending on the skills of the individuals we are talking about to the baseline budget. So you got that – those are must pay. I mean, when you have people, you have got to pay them salaries. You have the benefits, that kind of thing.

So the third place – the third big pot of money is for procurement. And that is a modernization piece, going to the future piece, et cetera. And we have – we have had an exponential growth in cost. It is taking longer to deliver the systems and we are not delivering as many of them, which is a solution that is a spiral to a very slow – a very slow diminishment of capability of our military in the long run.

So all of us have to pay a lot of attention to that. We have to spend the money wisely from recruiting to acquisition to execution and operation. We cannot waste a dollar. We are talking about recruiting budget. I actually didn't get to this. What I believe we need to do in very challenging times in recruiting is we really need you in this. We are talking about a lot of money being invested in recruiting. We need to do that to hedge, in my view, towards that because at a time where it is really tough because we must sustain that – particularly, if we anticipate it is going to get tougher.

So we have got a lot of work to do with respect to that. There is a lot of work going on right now in recognizing that. And when I talk publicly about – between our baseline budget, which is about 3.3 percent of GDP and the supplements, which is about another percent that we have had. So we are at 4.2, 4.3, 4 percent right now of our GDP that a floor of about 4 percent is the right answer. And you can go through the math and okay, in certain economies, 4.6 – it is only this much – when economy is going south, it has got to be higher. In the absolute dollar values, I understand that.

But what I want to try to do is have a discussion about what it is going to take the resource national security in this very dangerous world that we are living in. And as I look against a backdrop or that which is out in front of us of some other pretty demanding resource requirements that the United States of America has that don't have anything to do with national security. The Social Security, Medicare, Medicaid challenges that we have financially as a country, so it is a really, really tough time to look at the overall fiscal environment.

And we are a very wealthy country. This is, I think, do-able. But having that discussion about what we need for national defense and how much it should be, which also goes back to our most important resource in all this is you, our people. And we have got to — we have got to make sure we get that right. And I think that is a foundation for getting to the future with the military that we need. But we have got our work cut out for us no matter who becomes president.

Yeah?

Q: Sir, I am Lieutenant Damien, Los Angeles. I was former IA last year. My question kind of segues along with the sergeant. What is your opinion, sir, on the IA process and policy?

And how do you see that affecting us, as recruiters, as far as retention and recruiting goes in the long haul? Have you seen anything? Or do you expect that having an impact on us in the near future?

ADM. MULLEN: And when you say – when you say the impact of it in terms of having – being deployed? Or deploying as an IA and whether that would have a positive or negative impact on your recruiting?

Q: Yes, sir.

ADM. MULLEN: I don't know. Do you see it? I mean -

Q: Well, personally, sir, I definitely see amongst the junior officer ranks, there is potential there as far as retention goes, especially – I recruit from the reserve side. And I see that possibly being an impact on a lot of JOs that are getting out of the Navy or the military in general because of certain deployment considerations, constantly being deployed, et cetera. And that is a direct result, a lot of times, of what is going on with the IA policy. So I wanted to get your two cents on that.

ADM. MULLEN: That – again, and I will get a better answer than this because I am a year out of date on IA policies for the Navy. I can talk about factors I know are taken into consideration had we started to identify these thousands and pull individual augmentees or in lieu of assignments, which is what the Air Force calls them.

We started from a you're assigned to "Unit X" and here you go for six months, 12 months whatever the case might be. Unit X might be deployed for seven or eight or nine months come back, deploy for a year, come back, go back to your unit and you might redeploy right away.

What the Navy was trying to do was institutionalize at a certain level, was 10,000 11, 000, 12,000 billets that you could count on. In essence they became PCS billets.

We have a way of focusing on battalions and BCT's because they are the coin of the realm, but there are a lot of other support organizations and enablers in which without a battalion and a BCT could not complete their missions. In many cases its those support organizations what we in the Army and the Marine Corps are focusing on as well as outside to the other services.

When we did that in the first two or three years, we were not managing the personal career expectations and the pace. I would run into Navy IA's in Djibouti who had just deployed, gotten back, gotten sent on a IA, going to be there a year. Went back to their ship and were, boom, going to deploy again. In some cases it was going to be almost two straight years of deployment, for example.

So the whole idea of what the Navy was trying to do was understand that better and make it more predictive, more predicable. I don't know where the Air Force stands on this in respect to how they manage it.

The other thing that you're question hits, and this is something I've found in young people a lot, and I'm old enough to – again – having started in Vietnam. My peers that talk about Vietnam and those that went and those who didn't. Those who were in the military and those who were in the military. Not many left of my peers who are still in the military. But these are the conflicts and the wars of your time.

This is when I was a JO, I wanted to go to Vietnam, period. That's where the fight was. That's what I signed up to do and that where I wanted to go. There wasn't much more a sophisticated plot than that. I have gotten that kind of feedback as my time as CNO the number of sailors who have said, sign me up, put me in coach, that's where the fight is. Wherever I was, was pretty extraordinary.

Where we struggled a little bit was with the CO and XO of that unit, or the command master chief saying, "Hey, I've got a mission to complete here too, you're going to take my best whomever or whatever?" That tension as been there also. I have encouraged people to go. For whatever reasons. This is our most significant need right now and where the fight is.

Air Force question?

Oh is he going to call on me? Come on.

How is recruiting? Oh great. It's great, it's easy.

How is it here in southern California? What are your biggest challenges?

Q: Sir, recruiting is great! Everyone is going to look at me like I'm crazy.

ADM. MULLEN: Is that why you are up there alone?

Q: It's definitely not that. I love this job. I've been in the Army for nine years and I love what I do. But here is my question, I've got an extremely bright kid and he's checked out the other three branches and he wants to know why the Army's recruiting standards are so much lower. I was baffled; I had no answer for him.

ADM. MULLEN: Clearly the waiver issue which in place right now, to in particular the kinds of waivers as well as the high school degree, quote un quote requirement. Which both of those meet, and I don't want to be too bureaucratic here, they meet the overall policy requirement of the Department of Defense, but for the Army, in particular they are lower. Although when you pull the waiver issue, services have been granting waivers a high numbers for a pretty long time.

Because of the pressure of growing the Army, of the stress it has created because of repeated deployments, my view is - and this something that has just recently been brought to my attention – the attrition rate of first termers in the Army, do you know what it is? Does any one in the Army know what it is?

Q: Sir, I believe its 4.6 percent, but it used to be 9 percent.

ADM. MULLEN: Its 30 percent.

And that's what we lived with for a long time.

I only can speak of this because it was brought to my attention in 2001, 2002 when I was the budget guy for the Navy as a three-star. The attrition rate, the historic first term attrition rate for the Navy was 40 percent.

And that's just what we lived with. If you had a sailor that wasn't going to hack it, he's out the door. The recruiters were just going to bring someone else in. Just made your job that my more difficult. That was the conditioning, that was the culture and that's how we thought. That kind of an approach in my view, we really need to look at and it doesn't make a lot of sense to recruit knowing that one in three of the candidates that you brought in were going to leave before the end of their first tour.

If you're running an organization that way, it doesn't make sense. It takes focus. And what was amazing, in the Navy, within 24 to 36 months it was down to single digits. Because we focused on it.

Right now there are enormous requirements. At a time where, back to what I said, a propensity to serve is down. The decision makers, the young peoples parents, coaches the ones who are really influencing them to serve don't like these wars. And their inclination to tell them to not serve. So I think the waivers are a result of the need, in fact I know they are a need we have to bring people in.

Also, and I have been over this with the chief in great detail, what does it take to get a waiver? And as it has been shown to me it's a pretty rigorous process based on what it is we are trying to waive. Based on individuals backgrounds. Moving them through the process and who can sign off on it and I know that's the case with the Marine Corps right now. Although the Marine Crops is at 96 percent high school graduates, for example. And the other services are in that ballpark as well right now also. Where as I indicated earlier the Army is at 83 percent. I think it's a reflection of all of that pressure.

What I haven't seen, and Id like to have information or the data to respond to this, if you have that available, Id love to hear it. What I haven't seen is those who have been waived in '07 or '08 have created significant problems in the field for us after they completed their initial training. I just haven't seen those things go up in significant numbers. Though I have heard from juniors officers, captains, first lieutenants in command positions say that they are spending a lot more time than I was before. So it is something we really try to keep our eye on. It is, more than

anything else a reflection of that pressure, the growth of the Army and the pace of what we are doing and the attrition. If we can get our attrition down to 10 or 20 percent then that relieves an extraordinary amount of that pressure.

MR: Sir, I think we have time for one more question.

Q: Good morning sir. I've notice that the officer procurement mission has increased. For myself and our mission has doubled. My question to you sir is what are we doing to keep our officers? Are there any incentives out there coming down the pipeline?

ADM. MULLEN: I'm going to have to take your name and get back to you. I don't know specifically to you. Its usually up to the service chiefs and Ill need to get with this commandant and find out where the Marine Corps and in fact are we creating any incentives.

It goes back to the \$40,000 for the new recruit issue. We focus our resources where we need them. I spend a fair amount of my time, particularly with the Marine Corps and the Army talking to O-3's. Who have been in four to ten years, four to nine years. And talk to them about what they are going to do. As a way to try and understand what their concerns are and a way to try and impact their concerns.

It's an area of focus for all of the services. Back to what I said earlier, we have a core, by virtue of the fights that we have been in, we have in our corps right the ability to sustain ourselves as a great military for a long period of time if we take care of these young people. Yet they tell me, multiple deployments, Id like to have a life. Id like to meet someone I might like to marry and start a family with if I am married Id like to spend time with my wife or my kids. By and large they love what they are doing and know they have made a difference. It's that work-life balance piece.

I know the commandant has mandated. I can't remember exactly when, but after a couple of tours, I think its called a type B billets, you're going. You're going to be a trainer, you're going to a recruiter, you're going to Parris Island or MCRD or wherever the case might be. Clearly we have needs there from the institution. But part of it is you've deployed twice or three times and you're going in Navy terms, you're going ashore. And that's trying to create that balance.

The challenge is, and though we are going to be through this next year, is that in the Marine Corps not unlike the Army is that we are growing. So the need for more officers is tied directly to that growth. No question in my mind. As well as what the retention is. I just don't know what the numbers are. This will give me a better chance to understand what the retention is in the Marine Corps is for officers and what those numbers are and what the commandant is doing with that.

Ok, again, thanks for service and what you do. I talk about this being a vital core mission for what we do and no one recognizes that more than me. Thanks for what you do; thanks to your families do to support this. It's a big deal. Thanks and God bless.